

STATE OF TEXAS §
COUNTIES OF ARANSAS §
SAN PATRICIO AND NUECES §
CITY OF ARANSAS PASS §

On this the 21st day of September, 2009 the City Council of the City of Aransas Pass convened in a Regular Council Meeting being open to the Public at the regular meeting place thereof in the City Hall and notice of said meeting giving the time, place, date and subject hereof having been posted and prescribed by Chapter 551 of the Texas Government Code with the following attendance to wit constituting a quorum.

PRESENT: Tommy Knight, Mayor
Jay Attaway, Mayor Pro Tempore
Vickie Abrego, Council Member
Phillip Hyatt, Council Member
Karen Mayer, Council Member

ABSENT:

ADMINISTRATIVE
PERSONNEL PRESENT: Mike Sullinger, Interim City Manager
Allen Lawrence, City Attorney
Ada Owens, City Secretary

ADMINISTRATIVE
PERSONNEL ABSENT:

STAFF PRESENT: Darrell Jones, Police Chief
Paul Alvarado, Public Works Director
Rickie Kilgore, Fire Chief
Sandy Roddel, Finance Director

OTHERS PRESENT: Lu & Ralph Arcemont, Donna Johnson/GrantWorks, Sandy Kubek, Rosemary Vega/Chamber of Commerce, Hope Comingore, Marilyn Rimer/Herald Newspaper, Jeanie & Donald Brummett, Michael Cary/Aransas Pass Progress, Collett Walls/Chamber of Commerce, Richard Gonzales

There may have been others present who did not sign in.

ITEM 1. CALL MEETING TO ORDER.

Mayor Knight called the meeting to order at 7:00 p.m. on September 21, 2009.

ITEM 2. INVOCATION AND PLEDGE OF ALLEGIANCE TO THE UNITED STATES FLAG.

Council Member Abrego gave the invocation. Mayor Knight led the Pledge of Allegiance to the United States flag.

ITEM 3. CONSIDER AND ACT ON APPROVING THE MINUTES OF SEPTEMBER 9, 2009 CITY COUNCIL MEETING.

Council Member Mayer made the motion to approve the minutes of September 9, 2009 City Council meeting. Council Member Abrego seconded the motion and the motion carried unanimously.

ITEM 4. CONSIDER AND ACT ON APPROVAL OF RESOLUTION 2009-621 AUTHORIZING A 2009 TEXAS HOME PROGRAM FOR OWNER OCCUPIED HOUSING ASSISTANCE APPLICATION TO THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS.

Donna Johnson with Grantworks gave a summary of the 2006 HOME grant which was completed in 2009. She stated the State had increased the percentage of the median income requirements from 30% to 50% below median income which should result in more qualified applicants. She stated the grant would build five houses for qualified applicants. She stated applicants must own their own homes and have their taxes paid. She stated the program generally assists retirees and people on Social Security. She stated five applicants would be accepted for the grant program.

Mayor Pro Tem Attaway asked was the match the same as the last HOME grant?

Ms. Johnson stated it was.

Mayor Knight stated the match was the same and was in the budget.

Ms. Johnson explained the HOME grant process to the City Council.

Council Member Abrego asked Ms. Johnson do the applicants have to pay the State back for the grant?

Ms. Johnson stated no, the grant was a differed forgivable loan. She stated that means the homeowner must stay in the house a certain amount of time and is based on the homeowner's income. She stated if the applicant is in the 50% below median income bracket, the loan would be a 15-year differed forgivable loan and for every year in the home, one-fifteenth of the loan is forgiven. She stated if the applicant is in the 30% or below median income bracket, the loan would be a five-year differed forgivable loan. She stated if the homeowner dies during the term of the loan the State would not ask for the money back if the home stayed within the family. She stated the purpose for the loan's lien is to prevent a home being built (with the grant money) then be sold for profit.

Mayor Pro Tem Attaway made the motion to approve Resolution 2009-621 authorizing a 2009 Texas HOME Program for Owner Occupied Housing Assistance application to the Texas Department of Housing and Community Affairs. Council Member Abrego seconded the motion and the motion passed unanimously.

ITEM 5. CONSIDER AND ACT ON APPROVING AN ADDENDUM TO THE INTERLOCAL GOVERNMENT AGREEMENT BETWEEN CITY OF ARANSAS PASS AND ARANSAS PASS MUNICIPAL DEVELOPMENT DISTRICT (APMDD).

Interim City Manager Mike Sullinger stated according to the previous Interlocal agreement the cost of the Civic Center and Aquatics Center would be split between the City and the APMDD. He stated at the budget workshops, with the budget being so close, the Council indicated they wanted the APMDD to pay the full cost of the Civic Center and Aquatics Center. He stated there was a provision in the addendum that the agreement would be revisited every year if the City Council decided the City could pay one-half of the cost. He stated when the voters passed the Aquatic Center and Civic Center using a one-half cent sales tax increase to pay for the facilities, the one-half cent sales tax was supposed to pay for the Aquatics Center and Civic Center. He stated the consensus of the Council was they would rather have the APMDD pay the whole cost of the Aquatics Center and Civic Center than raise the Ad Valorem tax. He stated the property tax would have to be raised approximately four cents (if the APMDD does not pay the entire cost of the Aquatics Center and Civic Center).

Hope Comingore, President of the APMDD stated (reading from the agreement) the parties agree to review the addendum on an annual basis; the term of the agreement shall expire when the City has paid and discharged the Certificates of Obligation (the bonds that were reissued in 2007) and thereafter the City shall bear all operating expenses of the Civic Center. Ms. Comingore asked what happened to the Aquatics Center that is missing from the addendum? She asked when the bonds are all paid the City does not take over the Aquatics Center?

Mr. Sullinger stated yes, the City does (take over the Aquatics Center). He stated Tom Andrews (APMDD attorney) wrote the agreement, but the wording to take over the Aquatics Center is spelled out (in the wording) above. He asked the City Attorney could the Council add the Aquatics Center to that section?

City Attorney Allen Lawrence stated there was another question; Karen Gayle (APMDD member) had told him the current agreement provides that the City will pay for half the costs (of the Civic Center and Aquatics Center) for Fiscal Year 2008-2009 and, in Ms. Gayle's opinion, the addendum does not specifically state that the City does not have to pay the one-half (of costs) that the City would have owed (the APMDD) under that agreement. He stated he was unable to contact Mr. Andrews, APMDD attorney.

Ms. Comingore stated the City was paying the APMDD back for one-half of the deficit on the Aquatics Center, there had been no agreement to do anything, either way, with the Civic Center.

Mr. Sullinger stated the City pays the deficient for the year, the APMDD does not pay a penny on that (deficit), at the end of the year when the City does their audit a bill is sent to the APMDD (for one-half of the deficit) and it is opposite with the Civic Center.

Ms. Comingore stated there was nothing in the agreement about 50% (the Civic Center reimbursement) because the Civic Center has not been turned over to the City, completely.

Ms. Comingore stated the APMDD members, at their last meeting discussed, even though 50% (reimbursement to the APMDD) was put in the City budget, the City would not pay it this year. She stated that meant the APMDD would have to add to the APMDD budget. She stated the APMDD is paying 100% (of the deficit) for both, the

Aquatics Center and Civic Center. She stated that will require the APMDD to have a budget amendment.

Mayor Pro Tem Attaway asked after the bonds are paid off, (would) the City assume all of the operating expenses? He asked what would happen to all the money from the one-half cent sales tax? He stated that one-half cent sales tax was not for the duration of the bond, it was for the duration, period. He asked the City Attorney was that was true?

Mr. Lawrence stated the sales tax funds were for the construction and maintenance of the Civic Center and once the bonds were paid there was no debt under the sales tax.

Ms. Comingore stated it was her understanding that once the bonds were paid the APMDD could no longer fund those projects (Aquatics Center and Civic Center).

Mr. Lawrence stated that was right.

Mr. Sullinger agreed and stated the bonds would not be paid for 30 years, so that would give the City time to plan (for the extra debt).

Mayor Pro Tem Attaway made the motion to approve the Addendum to the Interlocal Government Agreement between City of Aransas Pass and Aransas Pass Municipal Development District and add the Aransas Pass Aquatics Center to the addendum. Council Member Mayer seconded the motion and the motion carried unanimously.

ITEM 6. **CONSIDER AND ACT ON APPROVING THE ARANSAS PASS CHAMBER OF COMMERCE 2009-2010 BUDGET.**

Rosemary Vega, CEO of the Aransas Pass Chamber of Commerce and Charlotte Walls, President presented the Chamber of Commerce 2009-2010 budget. Ms. Vega stated the budget had not changed much from the last fiscal year.

Discussion was held on the format and form of the budget.

Council Member Abrego made the motion to table Item 6. Council Member Hyatt seconded the motion and the motion carried unanimously.

ITEM 7. **CONSIDER AND ACT ON APPROVAL OF A PUBLICITY AND TOURISM AGREEMENT BETWEEN CITY OF ARANSAS PASS AND ARANSAS PASS CHAMBER OF COMMERCE.**

Council Member Abrego made the motion to table Item 7. Council Member Mayer seconded the motion and the motion carried unanimously.

ITEM 8. **CONSIDER AND ACT ON AGREEMENT BETWEEN THE CITY OF ARANSAS PASS AND CONQUERING LIFE, INC. WHEREIN THE CITY OF ARANSAS PASS WILL PAY THE UTILITIES FOR THE 2ND CHANCE BOXING CLUB IN EXCHANGE FOR CITY EMPLOYEES' USE OF CLUB FACILITIES.**

Mayor Knight gave the history regarding the 2nd Chance Boxing Club and the City's assistance by paying the Club's utility bills. He discussed owner Jason Gilden's good work with the youth of Aransas Pass.

Discussion was held on the ownership of the Club's property, the cost of the utilities, the City employee's use of the facility and insurance.

Mayor Pro Tem Attaway made the motion to approve the Agreement between the City of Aransas Pass and Conquering Life, Inc. wherein the City of Aransas Pass would pay the utilities for the 2nd Chance Boxing Club in exchange for City employees' use of Club facilities. Council Member Hyatt seconded the motion and the motion passed with Mayor Knight, Mayor Pro Tem Attaway and Council Member Hyatt voting yes and Council Members Abrego and Mayer voting no.

ITEM 9. **CONSIDER AND ACT ON REQUEST OF GULF OF MEXICO FOUNDATION'S SCIENCE & SPANISH CLUB FOR \$300.00 IN SUPPORT OF THEIR ANNUAL BEACH CLEANUP PROJECT.**

Richard Gonzales with the Gulf of Mexico Foundation gave history on the seasonal beach cleanups and expectations of future endeavors to help the environment along the beaches in the area.

Mayor Pro Tem Attaway made the motion to approve the request of Gulf of Mexico Foundation's Science & Spanish Club for \$300.00 in support of their annual beach cleanup project. Council Member Hyatt seconded the motion and the motion carried unanimously.

ITEM 10. **CONSIDER AND ACT ON APPOINTMENTS TO THE PLANNING AND ZONING COMMISSION.**

Mayor Knight appointed Ralph Arcemont, Randall Freeze and Donald Brummett to the Planning and Zoning Commission.

Council Member Mayer made the motion to approve the appointments to the Planning and Zoning Commission made by Mayor Knight. Mayor Pro Tem Attaway seconded the motion and the motion carried unanimously.

ITEM 11. **CONSIDER AND ACT ON APPOINTMENT TO THE MEMORIAL COMMISSION.**

Mayor Knight asked Marilyn Rimer if she would like to serve on the Memorial Commission.

Ms. Rimer stated yes.

Mayor Knight appointed Marilyn Rimer to the Memorial Commission.

Council Member Mayer made the motion to approve the appointment of Marilyn Rimer to the Memorial Commission made by Mayor Knight. Mayor Pro Tem Attaway seconded the motion and the motion carried unanimously.

ITEM 12. **PUBLIC HEARING ON PROPOSED FY 2009-2010 BUDGET FOR THE CITY OF ARANSAS PASS.**

Mr. Sullinger declared the Public Hearing on the proposed Fiscal Year 2009-2010 Budget for the City of Aransas Pass open at 7:50 p.m..

Mr. Sullinger asked if there was anyone for or opposed to the proposed Fiscal Year 2009-2010 Budget. Seeing none he closed the Public Hearing at 7:51 p.m.

ITEM 13. **CONSIDER AND ACT ON APPROVAL OF ORDINANCE 2009-3963 – ADOPTING THE FY 2009–2010 BUDGET OF THE CITY OF ARANSAS PASS.**

Mr. Sullinger gave a briefing on the proposed Fiscal Year 2009 Budget.

Mayor Pro Tem Attaway made the motion to approve Ordinance 2009-3963 adopting the Fiscal Year 2009-2010 Budget of the City of Aransas Pass. Council Member Abrego seconded the motion and the motion passed unanimously.

ITEM 14. **CONSIDER AND ACT ON APPROVAL OF ORDINANCE 2009-3964 – LEVYING UPON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE CITY OF ARANSAS PASS, TEXAS SUBJECT TO TAXATION, A CERTAIN SUM UPON EACH ONE HUNDRED (\$100.00) DOLLARS OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE REQUESTED IN THE ANNUAL BUDGET, LESS THE AMOUNT ESTIMATED TO BE RECEIVED FROM FINES, LICENSES, AND OTHER SOURCES OF REVENUE.**

Mayor Pro Tem Attaway made the motion to approve Ordinance 2009-3964 – Levying upon the assessed valuation of the property within the City of Aransas Pass, Texas subject to taxation, a certain sum (.592869) upon each One Hundred (\$100.00) Dollars of valuation sufficient to raise the amount estimated to be requested in the annual budget, less the amount estimated to be received from fines, licenses, and other sources of revenue. Council Member Mayer seconded the motion and the motion carried unanimously.

ITEM 15. **CITY MANAGER’S UPDATE ON GRANTS AND SIGNS.**

Mr. Sullinger discussed Nueces County’s receipt of a \$100,000.00 grant and the County’s plans to clean and landscape properties along Highway 361 from Aransas Pass to Port Aransas and extend the Kayak Trails to the Crab Man Marina. He informed the Council regarding the signs for the State’s ban on cell phone use in School zones, stating the Police Department had already received and installed the signs, whereas other cities are paying much more for the signs and were waiting for delivery.

Police Chief Darrell Jones stated the Police Department would be enforcing the new law next Wednesday.

ITEM 16. **CITIZENS’ COMMENTS.**

Hope Comingore discussed the APMDD using the building at W. Wheeler and 7th Street for APMDD storage as the Police and Fire Departments, who use the building for workouts, would be using the boxing club.

Mayor Knight stated the City was cleaning up a mess (at Conn Brown Harbor) that took 20 to 30 years to accumulate. He stated as the shrimping industry declined and businesses closed, the Harbor deteriorated. He stated during the past three years a number of developers had looked at the Harbor, but when the economy took a downturn the developers said they could not get bank loans to develop property. He stated at this time the City was focused on cleaning up the Harbor. He stated the City has a grant for almost \$1M and plans to construct 24 floating docks in the Harbor; relocate the City Dock; and apply for more grants next year.

Mayor Pro Tem Attaway made the motion to adjourn the meeting. Council Member Mayer seconded the motion and the motion carried unanimously.

Tommy Knight, Mayor

Ada Owens, City Secretary